

**TITLE 21 PUBLIC WORKS**  
**DIVISION 2. DEPARTMENT OF TRANSPORTATION**  
**CHAPTER 9.5. AFFORDABLE SALES PROGRAM**

**§1476 Definitions**

- (a) **“Affordable housing cost”** shall be calculated in a manner consistent with the provisions of Health and Safety Code section 50052.5 as implemented by California Code of Regulations, Title 25, section 6924. For purposes of this chapter, “affordable housing cost” shall not exceed the following:
- (1) With respect to lower income households, housing costs up to 25 percent of gross income;
  - (2) With respect to moderate income households, housing costs up to 30 percent of gross income;
  - (3) With respect to households whose gross income is above low or moderate income but does not exceed 150 percent of the area median income, housing costs up to 30 percent of gross income.
- (b) **“Affordable price”** means the maximum price at which the housing cost to be paid by the prospective buyer would not exceed the affordable housing costs for such buyers while applying the market interest rate over a fully amortized 30-year term. In the case of a buyer that is a lower income household, the price for residential property shall not be greater than the amount that would result in the buyer’s monthly payments exceeding that portion of the buyer’s household adjusted income, as determined in accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937. The affordable price shall not be less than the price paid by the agency for original acquisition, unless the acquisition price was greater than the current fair market value, and shall not be greater than fair market value.
- (c) **“Affordable rent”** means rent calculated in a manner consistent with the provisions of Government Code section 54236 (g) and California Code of Regulations, Title 25, section 6922.
- (d) **“Area median income”** shall have the same definition as set forth in Health and Safety Code, section 50093.
- (e) **“CalHFA”** means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act, division 31 of the California Health and Safety Code.
- (f) **“Conditional Offer Prior to Sale”** means the manner in which all surplus residential property is offered for sale in accordance with this chapter.
- (g) **“Designated housing-related public entity”** means a housing-related public entity designated by the legislative body of the city in which a surplus residential property is

located. Such designation shall be made by the legislative body pursuant to resolution and sent to the Department within the time frames set forth in this chapter.

- (h) **“Date the offer of sale is made”** means the date stated in the Conditional Offer Prior to Sale or publication, as applicable.
- (i) **“Decent, Safe, and Sanitary”** means the condition of a replacement dwelling as defined and described in California Code of Regulations, Title 2, section 1872.
- (j) **“Department approved appraised fair market value”** means the fair market value as determined by a licensed appraiser, and reviewed and accepted by the Department to be compliant with the Uniform Standards of Professional Appraisal Practice.
- (k) **“Displaced”** means a condition when a person is subject to displacement pursuant to Government Code section 54236(e) or 54238.3(b).
- (l) **“Fair market value”** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale in accordance with Government Code section 54236(f), the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
  - (1) The buyer and seller are typically motivated;
  - (2) Both parties are well informed or well advised, and each is acting in what they consider their best interest;
  - (3) A reasonable time is allowed for exposure in the open market;
  - (4) Payment is made in terms of cash in United States Dollars or in terms of a financial arrangement comparable thereto;
  - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing, sales concessions, or the use and resale restrictions; and

For transfer from the Department, the date of value is the date the offer of sale is made by the selling agency.

- (m) **“Forced to relocate”** means a condition when a displaced person has vacated the surplus residential property not later than ninety (90) days after transfer from the Department to a new owner pursuant to a legal written notice to vacate, excluding notices for cause.
- (n) **“Former tenants in good standing”** means tenants who were current in rent obligations, in full compliance with the terms and conditions of the lease or rental agreement at the time of vacancy, and whose tenancy was not terminated for cause.
- (o) **“Good standing”** means a condition when tenants or occupants who are current in rent obligations, and in full compliance with the terms and conditions of the lease or rental agreement as of the date the tenant or occupant responds to the Conditional Offer Prior to Sale and at time of transfer from the Department.
- (p) **“Historic home”** means a residential surplus property identified by address in section 1478.2.

**(g)** ~~(p)~~ **“Housing cost”** of a prospective buyer purchasing a surplus residential property shall be calculated in accordance with the provisions of California Code of Regulations, Title 25, section 6920.

**(r)** ~~(q)~~ **“Housing-related private entity”** means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, or other legal entity, or any combination thereof, approved by the Department as qualified to either own, construct, acquire, or rehabilitate a housing development, or a residential structure other than an owner-occupied single unit whether for profit, non-profit, or limited profit.

**(s)** ~~(r)~~ **“Housing-related public entity”** means any county, city, city and county, the duly constituted governing body of an Indian reservation or Rancheria, or housing authority organized pursuant to the Health and Safety Code, division 24, part 2, chapter 1, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons or families of low or moderate income. Housing-related public entity also includes two or more housing-related public entities acting jointly.

**(t)** ~~(s)~~ **“Limited equity cooperative housing”** means a corporation as defined in Civil Code section 817.

**(u)** **“Nonprofit private entity dedicated to rehabilitating and maintaining the historic home for public and community access and use”** means an entity that meets all of the following criteria:

(1) Is a private entity.

(2) Is recognized by the California Secretary of State as an active, nonprofit organization.

(3) Intends to purchase, rehabilitate, and maintain the historic home for public and community access and use.

**(v)** ~~(t)~~ **“Minimum Property Standards”** means meeting the following minimum acceptable criteria for existing surplus residential properties.

(1) Real Estate Entity. The property must comprise a single readily marketable real estate entity.

(2) Party or Lot Line Wall. A building constructed on or to a property line must be separated from the adjoining building, by a wall extending the full height of the building from the foundation to the ridge of the roof. The wall can separate row type townhouses or semi-detached units. There must be adequate space between buildings to permit maintenance of the exterior walls.

(3) Service and Facilities.

(i) Trespass. Each living unit must be able to be used and maintained individually without trespass upon adjoining properties. Any easement required must run with the land.

- (ii) Utilities must be independent for each living unit except that common services, such as water, sewer, gas and electricity, may be provided for living units under a single mortgage or ownership. Separate utility service shut-off for each unit shall be provided. For living units under separate ownership, common utility services may be provided from the main to the building line when protected by easement or covenant and maintenance agreement acceptable to the Department. Individual utilities serving a living unit shall not pass over, under, or through another living unit, unless provision is made for repair and maintenance of utilities without trespass on adjoining properties or legal provision is made for permanent right of access for maintenance and repair of utilities.
  - (iii) Other facilities must be independent for each living unit, except that common services, such as laundry and storage space or heating, may be provided for in two-to-four living unit buildings under a single mortgage.
- (4) Each living unit must contain the following:
  - (i) A continuing supply of safe and potable water.
  - (ii) Sanitary facilities and a safe method of sewage disposal.
  - (iii) Heating adequate for healthful and comfortable living conditions. The Department may determine that climatic conditions are such that mechanical heating is not required. Dwellings with wood burning stoves or solar systems used as a primary heat source must have permanently installed conventional heating systems that maintain at least 50 degrees Fahrenheit in areas containing plumbing systems.
  - (iv) Domestic hot water.
  - (v) Electricity for lighting and for equipment used in the living unit.
- (5) Access.
  - (i) Each property must be provided with a safe and adequate pedestrian or vehicular access from a public or private street.
  - (ii) All streets must have an all-weather surface.
  - (iii) Access to the living unit must be provided without passing through any other living unit.
  - (iv) Access to the rear yard must be provided without passing through any other living unit. For a row-type dwelling, the access may be by means of alley, easement, passage through the dwelling, or other acceptable means.
- (6) Defective Conditions. Defective construction, poor workmanship, evidence of continuing settlement, excessive dampness, leakage, decay, termites, or other conditions impairing the safety, sanitation or structural soundness of the defects or conditions have been remedied and the probability of further damage eliminated.
- (7) Space Requirements. Each living unit must be provided with space necessary to assure suitable living, sleeping, cooking and dining accommodations and sanitary facilities.

- (8) Mechanical systems must be safe to operate, be protected from destructive elements, have reasonable future utility, durability and economy, and have adequate capacity and quality.
  - (9) Ventilation. Natural ventilation of structural space such as attics and crawl spaces, must be provided to reduce the effect of conditions of excess heat and moisture which are conducive to decay and deterioration of the structure.
  - (10) Roof covering must prevent entrance of moisture and provide reasonable future utility, durability and economy of maintenance. When reroofing is needed for a defective roof, already consisting of three layers of shingles, all old shingles must be removed prior to re-roofing.
  - (11) Hazards. The property must be free of hazards which may adversely affect the health and safety of the occupants or the structural soundness of the improvements, or which may impair the customary use and enjoyment of the property by the occupants. The hazards can be subsidence, flood, erosion, defective lead base paint (24 CFR Part 35) or the like.
  - (12) Crawl Space
    - (i) Must be adequate access to the crawl space.
    - (ii) The floor joists must be sufficiently above the highest level of the ground to provide access for maintenance and repair of ductwork and plumbing.
    - (iii) The crawl space must be clear of all debris and properly vented.
    - (iv) Any excessive dampness or ponding of water in the crawl space must be corrected.
  - (13) Drainage. The site must be graded so as to provide positive, rapid drainage away from the perimeter walls of the dwelling and prevent ponding of water on the site.
- (w) ~~(u)~~ “Multifamily property”** means property that consists of two or more dwelling units.
- (x) ~~(v)~~ “Nonresidential Property”** means property, whether improved or unimproved, that is used primarily for a nonresidential purpose that is fully compliant, properly permitted, and licensed under local ordinances and state licensing requirements as of the effective date of these regulations if applicable.
- (y) ~~(w)~~ “Occupant”** notwithstanding any other provision of law, means a person or persons who lives in the surplus residential property as their principal place of residence, is of majority age, and is listed on the lease or rental agreement prior to the date a prospective buyer responds to a Conditional Offer Prior to Sale.
- (z) ~~(x)~~ “Persons or families of low or moderate income”** shall have the same meaning as set forth in Health and Safety Code section 50093.
- (aa) ~~(y)~~ “Principal place of residence”** means the place where one actually lives for the greater part of time, or the place where one remains when not called elsewhere for some special or temporary purpose and to which one returns frequently and periodically, as from work or vacation. There may be only one principal place of residence for any individual. Evidence that a location is the individual's "principal place of residence"

includes, but is not limited to, the following elements, a compilation of which lends greater credibility to the determination that a particular place is the principal place of residence, whereas the presence of only one element may not support such a determination:

- (1) The subject premises are listed as the individual's place of residence on any motor vehicle registration, driver's license, voter registration, or with any other public agency, including federal, state and local taxing authorities.
- (2) Utilities are billed to and paid by the individual at the subject premises.
- (3) All of the individual's personal possessions have been moved into the subject premises.
- (4) A homeowner's tax exemption for the individual has not been filed for a different property.
- (5) The subject premises are the place the individual normally returns to as his/her home, exclusive of military service, hospitalization, vacation, family emergency, travel necessitated by employment or education, or other reasonable temporary periods of absence.

**(bb)** ~~(z)~~ **“Prospective buyer”** means an occupant who lives in the surplus residential property as their principal place of residence for at least ninety (90) days prior to the date the property was declared surplus and who shall occupy the surplus residential property as their principal place of residence after transfer by the Department.

**(cc)** ~~(aa)~~ **“Reasonable price”** means the price which is best suited to the economically feasible use of the property as decent, safe, and sanitary housing at affordable rents and affordable prices established by the entity in accordance with section 1478(c).

**(dd)** ~~(bb)~~ **“Surplus residential property”** means land and structures owned by the Department determined to be excess pursuant to Streets and Highways Code section 118.6, and determined to be no longer necessary for the Department’s use, and that are developed as single-family or multifamily housing, but does not include property being held by the Department for the purpose of exchange.

**(ee)** ~~(ee)~~ **“Transfer”** means any sale, assignment, or conveyance, voluntary or involuntary, of any interest in the property. Without limiting the generality of the foregoing, transfer shall include (i) a transfer by devise, inheritance or intestacy to a party who does not meet the definition of persons or families of low or moderate income, (ii) a lease or occupancy agreement of all or any portion of the property unless due to hardship or otherwise approved by the Department, (iii) creation of a life estate, (iv) creation of a joint tenancy interest, (v) execution of a land sale contract by which possession of the property is transferred to another party and title remain in the transferor, (vi) a gift of all or any portion of the property, or (vii) any voluntary conveyance of the property. Transfer shall not include conveyance by devise, inheritance, or intestacy to a spouse, a conveyance to a spouse pursuant to the right of survivorship under a joint tenancy, conveyance to a revocable trust, or a conveyance to a spouse in a dissolution proceeding, however, any subsequent conveyance shall be subject to the use and resale restrictions.

**(ff)** ~~(dd)~~ “Tenure” means the longest uninterrupted term of occupancy attributable to each prospective buyer.

**(gg)** ~~(ee)~~ “Use and resale restrictions” means any and all terms, conditions and restrictions recorded against the surplus residential property or otherwise made pursuant to this chapter and which shall be enforceable pursuant to the Act and this chapter.

Note: Authority cited: Sections 54235, 54236, 54237, 54237.5, 54238, 54238.3 and 54238.4, Government Code; and Section 118.6, Streets and Highways Code. Reference: Sections 54236, 54237 and 54238, Government Code; Section 118.6, Streets and Highways Code; 24 C.F.R. Section 5.100; Sections 34240, 50052.5, 50076.5, 50079.5, 50093 and 50900, Health and Safety Code; 25 CFR 700.55; and Section 817, Civil Code.

### **§1478.1. Sales and Use of Historic Homes**

(a) If the residential surplus property is a historic home, it must be offered to a nonprofit private entity dedicated to rehabilitating and maintaining the historic home for public and community access and use at the same time and under the same conditions and restrictions as the entities identified in section 1477(a)(4)(iii).

(b) The provisions of this section shall be set forth in use and resale restrictions.

Note: Authority cited: Sections 54235, 54237 and 54238.4, Government Code; and Section 118.6, Streets and Highways Code. Reference: Sections 54236 and 54237, Government Code.

### **§1478.2. List of Historic Homes**

For purposes of this chapter, the following surplus residential properties are historic homes:

4411/4411.5 Alpha Street, Los Angeles, CA

4417 Alpha Street, Los Angeles, CA

4451 Alpha Street, Los Angeles, CA

4507 Alpha Street, Los Angeles, CA

5506 Atlas Street, Los Angeles, CA

5512 Atlas Street, Los Angeles, CA

5513 Atlas Street, Los Angeles, CA

5501 Berkshire Drive, Los Angeles, CA

5524 Kendall Avenue, Los Angeles, CA

180 Arlington Drive, Pasadena, CA

181 Arlington Drive, Pasadena, CA

216 Arlington Drive, Pasadena, CA

203 Bellefontaine Street, Pasadena, CA

235 Bellefontaine Street, Pasadena, CA

181 Columbia Street, Pasadena, CA

231 Columbia Street, Pasadena, CA  
177 W. Glenarm Street, Pasadena, CA  
185 W. Glenarm Street, Pasadena, CA  
165 Hurlbut Street, Pasadena, CA  
177 Hurlbut Street, Pasadena, CA  
202 Madeline Drive, Pasadena, CA  
205 Madeline Drive, Pasadena, CA  
215 Madeline Drive, Pasadena, CA  
218 Madeline Drive, Pasadena, CA  
225 Madeline Drive, Pasadena, CA  
230 Madeline Drive, Pasadena, CA  
679 S. Pasadena Avenue, Pasadena, CA  
737 S. Pasadena Avenue, Pasadena, CA  
866 S. Pasadena Avenue, Pasadena, CA  
876 S. Pasadena Avenue, Pasadena, CA  
888 S. Pasadena Avenue, Pasadena, CA  
894/894B S. Pasadena Avenue, Pasadena, CA  
900 S. Pasadena Avenue, Pasadena, CA  
1000 S. Pasadena Avenue, Pasadena, CA  
1030 S. Pasadena Avenue, Pasadena, CA  
1041 S. Pasadena Avenue, Pasadena, CA  
1051 S. Pasadena Avenue, Pasadena, CA  
1059 S. Pasadena Avenue, Pasadena, CA  
1080 S. Pasadena Avenue, Pasadena, CA  
1090 S. Pasadena Avenue, Pasadena, CA  
1100 S. Pasadena Avenue, Pasadena, CA  
1112 S. Pasadena Avenue, Pasadena, CA  
1120 S. Pasadena Avenue, Pasadena, CA  
1150 S. Pasadena Avenue, Pasadena, CA  
1190 S. Pasadena Avenue, Pasadena, CA  
1191 S. Pasadena Avenue, Pasadena, CA  
1199 S. Pasadena Avenue, Pasadena, CA  
1200 S. Pasadena Avenue, Pasadena, CA  
1207 S. Pasadena Avenue, Pasadena, CA  
584 S. St. John Avenue, Pasadena, CA  
600 S. St. John Avenue, Pasadena, CA  
602 S. St. John Avenue, Pasadena, CA  
620 S. St. John Avenue, Pasadena, CA  
628 S. St. John Avenue, Pasadena, CA  
640 S. St. John Avenue, Pasadena, CA  
646 S. St. John Avenue, Pasadena, CA



650 S. St. John Avenue, Pasadena, CA  
670 S. St. John Avenue, Pasadena, CA  
678A/B S. St. John Avenue, Pasadena, CA  
696 S. St. John Avenue, Pasadena, CA  
714 S. St. John Avenue, Pasadena, CA  
726 S. St. John Avenue, Pasadena, CA  
734 S. St. John Avenue, Pasadena, CA  
762 S. St. John Avenue, Pasadena, CA  
180 W. State Street, Pasadena, CA  
214 W. State Street, Pasadena, CA  
225 W. State Street, Pasadena, CA  
237 W. State Street, Pasadena, CA  
212 Wigmore Drive, Pasadena, CA  
215 Wigmore Drive, Pasadena, CA  
231 Wigmore Drive, Pasadena, CA  
245 Wigmore Drive, Pasadena, CA  
816 Bonita Drive, South Pasadena, CA  
1005 Buena Vista Street, South Pasadena, CA  
1015 Columbia Street, South Pasadena, CA  
1101 Columbia Street, South Pasadena, CA  
1109 Columbia Street, South Pasadena, CA  
1131 Columbia Street, South Pasadena, CA  
1110 Glendon Way, South Pasadena, CA  
1131 Glendon Way, South Pasadena, CA  
911 Monterey Road, South Pasadena, CA  
495 Prospect Ave., South Pasadena, CA  
511 Prospect Ave., South Pasadena, CA  
400 Prospect Circle, South Pasadena, CA

Note: Authority cited: Sections 54235, 54237 and 54238.4, Government Code; and Section 118.6, Streets and Highways Code. Reference: Section 54237, Government Code.